

15J - PENSION OBLIGATION BONDS DEBT SERVICE

Operational Summary

Description:

This fund is used to record the debt service payments on the County's Pension Obligation Bonds: Series 1994A, Refunding Series 1996A and Refunding Series 1997A. These bonds are a General Fund obligation.

On October 20, 1999 the Board of Supervisors directed the CEO to proceed with actions necessary to eliminate this debt obligation. On March 31, 2000 and June 11, 2000, the County purchased through a tender offer 45% of the outstanding bonds, about \$288.3 million, and then cancelled them. The cost of the purchase was about \$179.0 million.

The remaining Pension Obligation Bonds with a par value of \$350,823,000, were successfully prepaid through an economic defeasance on June 22, 2000. Available funds, including the FY 1999-00 Tobacco Settlement Revenue allocation to the County, were irrevocably pledged for payment, in full, of the bonds and invested in AAA rated debt securities issued by the Federal Home Loan Bank, Federal National Mortgage Association (FNMA). The FNMA securities, along with cash on hand, will be sufficient to pay principal and interest on the bonds when due and payable.

The FY 2005-2006 budget for this fund contains appropriations to record the debt service payments made by the bond trustee from the defeasance escrow fund. There is no "out-of-pocket" payment required from the County.

At a Glance:

Total FY 2004-2005 Projected Expend + Encumb:	15,430,633
Total Recommended FY 2005-2006	25,478,560
Percent of County General Fund:	N/A
Total Employees:	0.00

Strategic Goals:

- To record debt service payments made by the trustee on the defeased Pension Obligation Bonds.

Budget Summary

Proposed Budget History:

Sources and Uses	FY 2003-2004	FY 2004-2005	FY 2004-2005	FY 2005-2006	Change from FY 2004-2005	
	Actual	Budget As of 3/31/05	Projected ⁽¹⁾ At 6/30/05	Recommended	Projected Amount	Percent
Total Revenues	173,025,126	19,200,051	18,366,008	25,478,560	7,112,552	38.72
Total Requirements	165,065,075	19,200,051	16,956,374	25,478,560	8,522,186	50.25
Balance	7,960,051	0	1,409,634	0	(1,409,634)	-100.00

(1) Requirements include prior year encumbrance and expenditures. Therefore, the above totals may not match FY 2004-05 projected requirements included in "At a Glance" (Which exclude these).

Detailed budget by expense category and by activity is presented for agency: Pension Obligation Bonds Debt Service in the Appendix on page page 642

15J - Pension Obligation Bonds Debt Service

Summary of Proposed Budget by Revenue and Expense Category:

Revenues/Appropriations	FY 2003-2004		FY 2004-2005		FY 2004-2005		Change from FY 2004-2005	
	FY 2003-2004		Budget		Projected ⁽¹⁾		Projected	
	Actual		As of 3/31/05		As of 6/30/05		Amount	Percent
Revenue from Use of Money and Property	\$ 1,963,177	\$	4,300,000	\$	3,277,374	\$	9,365,134	\$ 6,087,760 185.75%
Miscellaneous Revenues	15		0		0		0	0.00
Other Financing Sources	7,102,846		6,940,000		7,128,583		7,025,000	(103,583) -1.45
Total FBA	163,959,088		7,960,051		7,960,051		1,409,634	(6,550,417) -82.29
Reserves	0		0		0		7,678,792	7,678,792 0.00
Total Revenues	173,025,126		19,200,051		18,366,008		25,478,560	7,112,552 38.72
Services & Supplies	55,856		100,650		56,973		153,113	96,140 168.74
Other Charges	7,543,110		8,173,660		8,173,660		17,325,447	9,151,787 111.96
Other Financing Uses	7,073,874		9,400,000		7,200,000		8,000,000	800,000 11.11
Reserves	150,392,235		1,525,741		1,525,741		0	(1,525,741) -100.00
Total Requirements	165,065,075		19,200,051		16,956,374		25,478,560	8,522,186 50.25
Balance	\$ 7,960,051	\$	0	\$	1,409,634	\$	0	\$ (1,409,634) -100.00%

(1) Requirements include prior year encumbrance and expenditures. Therefore, the above totals may not match FY 2004-05 projected requirements included in "At a Glance" (Which exclude these).